Statements of expenditure authorised by Government

Mr. P. V. Raphael *(Comptroller of Finance and Accounts):* Under rule 58 of the Legislative Council Rules, I beg to place two statements of expenditure authorised by Government under section 28 (1) (c) of the Government of Cochin Act, 1113.

Serial No.	Head of account	Amount Rs.	Remarks
1	19—Education	2,112	In connection with the A. R. P. subsidiary scheme for Maharaja's College buildings, a sum of Rs. 2,112 had to be adjusted by the Education Department to Public Works—Contribution Works so as to enable the Public Works Department to execute the works urgently. The allotment required for the purpose was therefore sanctioned urgently.

Serial No.	Head of account	Amount Rs.	Remarks
1	State— 17. (1) Central Jail— Diet of prisoners	6,600	Owing to the increase in the number of prisoners and the increased cost of dietary articles the allotment had to be sanctioned urgently
2	Cranganur— 21. Miscellaneous— (b) Miscellaneous	3,000	For payment of contribution to the "H.M.I.S. Cochin" an additional allotment had to be sanctioned urgently

SUPPLEMENTARY GRANTS

(1) Rs. 1,400 under "4—Co-operative Societies—Contingencies—Audit fees"

Mr. T. K. Nayar *(Minister for Rural Development):* Sir, I move for an additional allotment of Rs. 1,400 under "4—Co-operative Societies—Contingencies—Audit fees". The audit of co-operative societies with a working capital of Rs. 50,000 and above is being done by professional auditors appointed by the Registrar of Co-operative Societies whenever his staff cannot do this work. The auditors so appointed will be paid remuneration on a scale fixed by the Registrar. The audit fees realised from these societies will be credited to the receipt side and will not, therefore, be available for payment to the auditors. Necessary provision has, therefore, to be made in the expenditure side. Since there is no allotment for this in the current year's budget, an additional grant of Rs. 1,400 is necessary under the head "4—Co-operative Societies—Contingencies—Audit fees." Savings are not available for re-appropriation within budget grants. It may also be noted that the allotment applied for is equal to the amount the Government expect as receipts. I request that the allotment applied for may be kindly granted.

Mr. V. J. Mathai *(Planters):* On a point of information. May I know as to why the auditors could not be paid money straight from the societies instead of the Government paying the same.

Mr. T. K. Nayar *(Minister for Rural Development):* I will look into the matter. The existing order is like this.

Mr. V. J. Mathai *(Planters):* It is not a matter for looking into. I want to know whether there is any difficulty for the Societies themselves paying the auditors' fees, instead of the Government acting as a sort of middleman.

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Mr. T. K. Nayar *(Minister for Rural Development):* The question will be looked into. I can only say that.

Mr. V. J. Mathai *(Planters):* What was the practice before ?

Mr. T. K. Nayar *(Minister for Rural Development):* The practice before was, the societies were appointing their own auditors. But now Government passed orders to the effect that the accounts of societies with a working capital of Rs. 50,000 should be audited by auditors appointed by the Registrar. Naturally, therefore, their fees will have to be paid by the Government and not by the societies.

Mr. K. Kochukunhan Kaimal *(Vadakkancheri):* In all other societies with a working capital below Rs. 50,000, the auditors are appointed by the societies; but in societies with more than Rs. 50,000, the auditors are to be appointed by the Registrar. It does not say that the audit fee should be defrayed out of the general revenues.

Mr. T. K. Nayar *(Minister for Rural Development):* In this case also the amount is collected from the society.

Mr. C. R. Iyyunni *(Trichur-South):* Why this circuitous method ? That is the only thing that we object to.

Rama Varmha Tampuran *(Secretary to Government):* Because the auditor is being appointed by the Government, Government thought it advisable to give the amount and that amount will be recouped from the societies. This is only an adjustment.

*__Mr. A. B. Salem__ *(Mattancheri):* Is it not creating an additional work on the part of the Government to collect and throwing unnecessary work on the Government. This is Government redtapism. The auditor will be appointed by the Government. After the audit, the society will be paying. This is the easiest way. There is no easier method. In the notes of the Standing Finance Committee it is stated that the audit fees realised from the societies will be credited to the receipts and will not be available. Why should it be credited and put on the receipt side ? Why should Government money be allowed to rotate throwing heavy work on the Government ? The auditor will be nominated by the Government to audit the society and at the end of the audit, his fees must be paid directly, and the receipt obtained. There is an end of the matter. Why should the allotment be made here ? Government should explain why this cannot be done, according to the old method.

Mr. V. J. Mathai *(Planters):* I rise to oppose this motion. I was wondering whether one should make this matter controversial. There is a sort of understanding that in the case of additional allotments, as far as possible controversy should be avoided. But here arises a question of broad principle, a wide departure from the original practice. It is a matter of Rs. 1,400 now for one year. The number of societies in the Cochin State is very big, and I think, the number is being added to. Instead of Rs. 1,400 this year, Rs. 5,000 may be debited to the Government expenditure and nobody knows whether it will be recoverable or not.

Rama Varmha Tampuram *(Secretary to Government):* There is a corresponding receipt by way of collections from societies. What is wrong in it ?

Mr. V. J. Mathai *(Planters):* You make expenditure from the Government finance and anticipate that the money will come back.

Rama Varmha Tampuran *(Secretary to Government):* There is a rule that societies should pay.

Mr. V. J. Mathai *(Planters):* The rule does not pay money. How will you collect the money ? There are several bankrupt societies.

Mr. C. J. Mathew *(Joint Secretary to Government):* But these are societies with a working capital of more than Rs. 50,000.

Mr. V. J. Mathai *(Planters):* I know companies with a working capital of more than ten lakhs which have gone into bankruptcy. The bigger the company, the worse may be its position. We are not satisfied with the working of the co-operative societies and that fact has been endorsed by no less a person than Mr. S. V. Ramamurthi. Suppose you make the disbursement and suppose you are not able to recover the money. Government are appointing the auditors and Government are paying the money. Altogether this seems to be a different practice. The whole difficulty seems to be that money that has been spent may not be recovered.

Mr. P. V. Raphael *(Comptroller of Finance and Accounts):* Auditors should be Government servants and Government will appoint them.

Mr. V. J. Mathai *(Planters):* May I know whether the appointment is made from the Ministerial side or the other side ?

*Speech not corrected by the hon'ble member.

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Mr. C. J. Mathew *(Joint Secretary to Government):* The Registrar who makes the appointment of the auditors is under the Minister.

Mr. V. J. Mathai *(Planters):* I am on this point that the society should be made to pay the money without the Government paying and then filing suits to recover the money.

Mr. C. J. Mathew *(Joint Secretary to Government):* When an auditor is appointed by the Government, Government are also bound to pay him. If they are asked to realise the amount direct from the societies, the auditors will not agree.

Mr. V. J. Mathai *(Planters):* For every application to the Land Mortgage Bank, the money has to be paid in advance. Why not you ask societies to pay in advance?

Mr. C. J. Mathew *(Joint Secretary to Government):* Government are now following the procedure adopted in British India.

Mr. C. R. Iyyuni *(Trichur-South):* May I know, Sir, what exactly is the difficulty in asking the societies to pay the whole thing to the Government immediately before appointing the auditors?

Mr. C. J. Mathew *(Joint Secretary to Government):* The amount required cannot therefore be fixed in advance. The audit fee is calculated on the percentage of profit.

Mr. T. K. Nayar *(Minister for Rural Development):* The amount collected from the society is on the percentage of profits and so you cannot all of a sudden ask the society to pay so much to the auditor.

Mr. V. J. Mathai *(Planters):* I am glad the Hon'ble Minister is fully supporting my position. The fees to be collected depend upon the profits earned. Government appoint auditors; auditors have to be paid fees. If all the societies return no profit, no audit fee will be collected. Therefore, the Minister is strongly supporting my position.

Mr. C. R. Iyyunni *(Trichur-South):* May I know, if there is no profit, the auditor should not be paid anything?

Deputy President: There seems to be some confusion on this matter. For the proper working of the societies, the Government thought that the appointment of the auditors was necessary. For that purpose, they have to appoint their own auditors. If they appoint their own auditors, they will have to pay them. If you are against the appointment you may object to it and not paying the auditors.

Mr. A. B. Salem *(Mattancheri):* It is paid by the Government and not by the society. The audit fees realised from the Society is not the auditor's fee.

Mr. P. Govinda Menon *(Mulankunnathukavu):* May I know from the Minister whether this is a new practice and also whether the Government will have to incur any extra expenditure?

Mr. T. K. Nayar *(Minister for Rural Development):* No. On the contrary we expect some margin in excess of the expenditure?

Demand put and carried

(2) Rs. 130 under "14 (8)—Town Councils—Contingencies"

Mr. T. K. Nayar *(Minister for Rural Development):* I request that a sum of Rs. 130 under "14 (8)—Town Councils—Contingencies"—be kindly granted.

An expenditure of Rs. 130 was incurred for the numbering of houses and preparing the electoral rolls in connection with the constitution of Town Councils in Trippunittura, Cranganur, Chalakkudi, Ollur and Palanji. There is no provision in the current year's budget for this expenditure. Savings are also not available for re-appropriation within budget grants. An additional allotment of Rs. 130 under "14—8—Town Councils—Contingency" is therefore necessary. I request that this may be granted.

Demand put and carried

(3) Rs. 220 under "23—Ayurveda—Establishment of Visha Vaidya Sala"

Mr. T. K. Nayar *(Minister for Rural Development):* Sir, I move that a sum of Rs. 220 under "23—Ayurveda—Establishment of Visha Vaidyasala" be granted.

The term of the appointment of the Visha Vaidyan at Aylore expired on 9th Thulam 1117 and provision was made in the budget only till then. But it was subsequently ordered that the Visha Vaidyan be stationed at Aylore permanently and provision has to be found for his pay for the remaining months. Savings are not available for re-appropriation. Hence I request that an additional allotment be granted.

Demand put and carried

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APPENDIX II

(Please see answer to Question No. 269)

Statement of places visited in Trichur Taluk with dates, names of places, etc.

Date	Place	Purpose
15—4—1117	Cherpu	To visit the centre and to inspect work of the staff there
18—4—1117 } 19—4—1117 }	do.	To inspect the Rural Development activities at Cherpu
22—4—1117 } 23—4—1117 }	do.	To attend the Bee-Keepers' meeting
27—4—1117	Kandassankadavu	To conduct a demonstration lecture on Rural Development activities
29—4—1117	Nadathara, Moorkanikara, Panamkuttichira, Koorkancheri	To visit with Diwan Peishkar the Rural Development Centres
1—5—1117	Cherpu	To take part in the discussions of the Exhibition Committee
4—5—1117	Moorkanikara	To address Rural Development meeting
7—5—1117 } 8—5—1117 }	Cherpu	Office work
10—5—1117	do.	Attended Variety Entertainment for War Fund
15—5—1117	Peringottukara	To preside over a Depressed Class meeting and to instruct them about thrift, cleanliness, etc.

APPENDIX III

(1)

Minutes of the Standing Finance Committee Meeting Saturday, 11th April 1942

The Committee met at 12 noon in the Diwan's Room in the Huzur Secretariat.

Present.—

Rama Varmha Tampuran, M.A., B.Sc., Bar-at-Law, Secretary to Government (Chairman)
M. R. Ry. C. J. Mathew Avl., B.A., B.L., Joint Secretary to Government
M. R. Ry. P. V. Raphael Avl., M.A. (Hons.), Comptroller of Finance and Accounts
M. R. Ry. E. Ikkanda Warrier Avl., B.A., B.L.
M. R. Ry. M. K. Devassy Avl., B.A., B.L.
M. R. Ry. T. S. Ramachandra Ayyar Avl., B.A., (Hons.) and
M. R. Ry. K. S. Raghavan Avl., B.A., B.L., (Secretary)

At the very outset Mr. T. S. Ramachandra Ayyar protested against the fact that the members were given too short a notice of the meeting. It was explained that it was due to the Easter holidays intervening.

The following items of supplementary grants were then taken up for consideration.—

(1) Rs. 676 under "37—Income-tax—Pay—Establishment—Temporary Eestablishment".

(2) Rs. 116 under "37—Income-tax—C. Allowances—Fixed, Travelling and daily allowances".

Items passed.

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(3) Rs. 1,533 under "1—Land Revenue—Temporary Establishment".

The non-official members expressed their dissatisfaction at the delay in disbursing the loans as the idea was to give immediate relief to persons affected by cyclone.

Item passed.

(4) Rs. 650 under "1—Land Revenue—T. A."
(5) Rs. 1,000 under "1—Land Revenue—Contingencies—Miscellaneous".
(6) Rs. 3,000 under "19(5)—Primary Boys—Grant-in-aid—Primary Boys—Salary grant".
(7) Rs. 7,000 under "do. do. —Ordinary grant".
(8) Rs. 1,800 under "19 (6)—Primary Girls—Grant-in-aid Ordinary grant".

Items Passed.

(9) Rs. 265 by transfer from "32—Industries transferred—C—Other Charges—Grant-in-aid" to "19—Education—4—Secondary Girls—Ordinary grants".

(10) Rs. 200 under "14 (3)—Primary Boys—Grants-in-aid (Cranganur)".

Mr. M. K. Devassy enquired why the matter was not placed before the Education Advisory Committee. It was explained that the matter involved no policy.

Mr. Devassy said that whenever general questions involving additional allotments arise, such questions should first be referred to the Advisory Committee and then only placed before the Standing Finance Committee.

Items passed.

(11) Rs. 1,500 under "17 (2)—Sub-Jails—Diet of Prisoners".
(12) Rs. 6,600 under "17 (1)—Central Jail— do."
(13) Rs. 4,200 under "28—A—Civil Engineering—Communication—Original".
(14) Rs. 2,700 under "14 (4)—Legislative Council T. A."
(15) Rs. 18,589 under "19 (3)—Secondary Education—Boys' Schools—Grants-in-aid—Ordinary grants".
(16) Rs. 3,532 under "19—(4)—Secondary Education—Girls' Schools—Grants-in-aid—Ordinary grants".
(17) Rs. 2,201 under "19 (5)—Primary Education—Boys' Schools—Grants-in-aid—Ordinary grants".
(18) Rs. 328 under "19 (6)—Primary Education—Girls' Schools—Grants-in-aid—Ordinary grants".
(19) Rs. 220 under "23—Ayurveda—Establishment of Vishavaidyasala".
(20) Rs. 1,400 under "4—Co-operative Societies—Contingencies—Audit fees".
(21) Rs. 654 under "31-A—Direction and Inspection—T. A."
(22) Rs. 200 under " do. Service labels".
(23) Rs. 30 under " do. Postage".
(24) Rs. 50 under " do. Books and Periodicals".
(25) Rs. 130 under "14 (8)—Town Councils—Contingencies".
(26) Rs. 50 under "9 Anchal (a) (1)—Dearness Allowance (Cranganur)".

Items passed.

(27) Rs. 1,050—by transfer from "18—Police—Deputy Commissioner" to "18—Police—Temporary Establishment—Votable".

Mr. E. Ikkanda Warrier stated that the inspection and supervision of the work done by D. S. Ps. and A. S. Ps. who are seniors to the Personal Assistant to the Commissioner of Police should not be entrusted to him (Personal Assistant).

Item passed.

The meeting was over at 12-30 p.m.

K. S. RAGHAVAN
Secretary to the Council

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APPENDIX IV

(2)

Minutes of the Standing Finance Committee Meeting

Monday, *the* *18th May 1942* / *5th Edavam 1117*

The Committee met today at 12 noon in the Diwan's Room in the Huzur Secretariat

Present.—

Rama Varmha Tampuran, M.A., BSc., Bar-at-Law, Secretary to Government (Chairman)
M. R. Ry. P. V. Raphael Avl., M.A. (Hons.), Comptroller of Finance and Accounts
,, C. J. Mathew Avl., B.A., B.L., Joint Secretary to Government
,, E. Ikkanda Warriar Avl., B.A., B.L.
,, M. K. Devassy Avl., B.A., B.L.
,, T. S. Ramachandra Ayyar Avl., B.A. (Hons.)
,, K. S. Raghavan Avl., B.A., B.L., (Secretary)

The following items of supplementary grants were considered one by one and passed.—

1. Rs. 1,505 under "17—1—Central Jail—Superintendent's pay".
2. Rs. 1,000 ,, " do. —Bedding and Clothing".
3. Rs. 1,311 ,, " do. —Miscellaneous".
4. Rs. 200 ,, "9—Stamps—Miscellaneous".
5. Rs. 180 ,, "37—Income-tax—C—Allowances—T.A.—Ordinary".
6. Rs. 282 ,, "31—A—Direction and Inspection—T.A."
7. Rs. 100 ,, "16—A—Law and Justice—Copying Charges".
8. Rs. 200 ,, "16—Law and Justice—B—Civil Justice—(1)-High Court—Office Expenses".
9. Rs. 258 ,, "16—Law and Justice—B—Civil Justice—Printing charges".
10. Rs. 3,200 ,, "1—Land Revenue—B—Allowances—(e)—Dearness allowance".
11. Rs. 3,200 ,, "22—Medical—(2)—Mental Hospital—Dietary charges".
12. Rs. 100 ,, " do. —Miscellaneous".
13. Rs. 1,423 ,, " do. —(1)—Medical Proper—(x)—Miscellaneous".
14. Rs. 2,340 ,, "28—A—Civil Engineering—C.R."
15. Rs. 1,500 ,, "7—Excise—Temporary Establishment".
16. Rs. 8,253—2—0 under "7—Excise—Refunds".

Item No. 17

Rs. 75 under "9—Stamps—T.A."

Mr. T. S. Ramachandra Ayyar pointed out that in rural parts there are no stamp vendors and consequently the people there have to go to neighbouring towns for the purchase of court-fee labels of even smaller denominations such as 1 anna, 4 annas, 8 annas. He suggested that the Anchal Masters may be entrusted with these smaller denominations of court-fee labels for sale to the public.

It was pointed out that the Anchal Masters may have to furnish enhanced securities. Further they may have to maintain very many additional registers in this behalf.

Item passed.

The meeting terminated at 12-30 p.m.

K. S. RAGHAVAN
Secretary to the Council

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